

Audited Financial Statements of

School District No. 59 (Peace River South)

June 30, 2017

School District No. 59 (Peace River South)

June 30, 2017

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School District No. 59 (Peace River South)

MANAGEMENT REPORT

Version: 2147-1402-8419

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 59 (Peace River South) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.



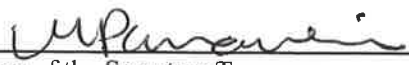
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 59 (Peace River South) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, Sander Rose Bone Grindle LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 59 (Peace River South) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 59 (Peace River South)

	<i>Sept 27 / 17</i>
Signature of the Chairperson of the Board of Education	Date Signed
	<i>Sept 27 / 17</i>
Signature of the Superintendent	Date Signed
	<i>Sept 27 / 17</i>
Signature of the Secretary Treasurer	Date Signed

CHARTERED PROFESSIONAL ACCOUNTANTS

Partners

- * Ben Sander, B. Comm., FCPA, FCA
- * Dale J. Rose, CPA, CA
- * Alan Bone, B. Comm., CPA, CA
- * Jason Grindle, B. Comm., CPA, CA
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Independent Auditor's Report

To the Board of Education of School District No. 59 (Peace River South) and the Minister of Education of British Columbia

Report on the Financial Statements

We have audited the accompanying financial statements of School District No. 59 (Peace River South), which comprise the statement of financial position as at June 30, 2017 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of School District No. 59 (Peace River South) as at June 30, 2017 and the results of its operations, its changes in net financial assets (debt), and its cash flows for the year then ended in accordance with Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011.

(continues)

Independent Auditor's Report (continued)

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describe the basis of accounting and the significant differences between such basis of accounting and Canadian Public Sector Accounting Standards. Note 2 to the financial statements discloses the impact of these differences.

Dawson Creek, BC
September 27, 2017

Sander Rose Bone Grindle LLP
Chartered Professional Accountants

School District No. 59 (Peace River South)

Statement 1

Statement of Financial Position

As at June 30, 2017

	2017 Actual \$	2016 Actual \$
Financial Assets		
Cash and Cash Equivalents	11,890,763	10,898,176
Accounts Receivable		
Due from Province - Ministry of Education	268,437	366,437
Due from Province - Other		12,000
Other (Note 3)	277,135	242,895
Total Financial Assets	12,436,335	11,519,508
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other		30,456
Other (Note 4)	3,433,401	3,485,664
Unearned Revenue (Note 5)	43,878	44,883
Deferred Revenue (Note 6)	1,252,948	822,293
Deferred Capital Revenue (Note 7)	25,525,912	24,041,060
Employee Future Benefits (Note 8)	790,438	749,799
Total Liabilities	31,046,577	29,174,155
Net Financial Assets (Debt)	(18,610,242)	(17,654,647)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	35,641,592	34,087,763
Prepaid Expenses	90,082	112,080
Total Non-Financial Assets	35,731,674	34,199,843
Accumulated Surplus (Deficit) (Note 18)	17,121,432	16,545,196

Contractual Obligations and Contingencies (Note 14)

Approved by the Board

Signature of the Chairperson of the Board of Education

Sept 27/17
Date Signed

Signature of the Superintendent

Sept 27/17
Date Signed

Signature of the Secretary Treasurer

Sept 27/17
Date Signed

School District No. 59 (Peace River South)

Statement 2

Statement of Operations
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	44,949,304	45,165,541	45,032,558
Other	168,000	172,499	165,085
Tuition	40,584	43,329	50,515
Other Revenue	1,709,300	1,915,758	1,637,489
Rentals and Leases	170,354	177,039	199,565
Investment Income	140,000	133,561	132,031
Amortization of Deferred Capital Revenue	1,416,829	1,416,829	1,447,114
Total Revenue	48,594,371	49,024,556	48,664,357
Expenses			
Instruction	34,650,902	33,986,794	33,531,693
District Administration	1,765,830	1,732,851	1,823,248
Operations and Maintenance	9,657,248	9,218,775	9,555,659
Transportation and Housing	3,638,248	3,509,900	3,590,924
Total Expense	49,712,228	48,448,320	48,501,524
Surplus (Deficit) for the year	(1,117,857)	576,236	162,833
Accumulated Surplus (Deficit) from Operations, beginning of year		16,545,196	16,382,363
Accumulated Surplus (Deficit) from Operations, end of year		17,121,432	16,545,196

School District No. 59 (Peace River South)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(1,117,857)</u>	<u>576,236</u>	<u>162,833</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(334,650)	(3,388,853)	(1,157,827)
Amortization of Tangible Capital Assets	1,835,023	1,835,024	1,889,313
Total Effect of change in Tangible Capital Assets	<u>1,500,373</u>	<u>(1,553,829)</u>	<u>731,486</u>
Acquisition of Prepaid Expenses		(90,081)	(112,079)
Use of Prepaid Expenses		112,079	128,149
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>21,998</u>	<u>16,070</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>382,516</u>	<u>(955,595)</u>	<u>910,389</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(955,595)</u>	<u>910,389</u>
Net Financial Assets (Debt), beginning of year		<u>(17,654,647)</u>	<u>(18,565,036)</u>
Net Financial Assets (Debt), end of year		<u><u>(18,610,242)</u></u>	<u><u>(17,654,647)</u></u>

School District No. 59 (Peace River South)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2017

	2017 Actual \$	2016 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	576,236	162,833
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	75,759	(101,655)
Prepaid Expenses	21,998	16,070
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(82,719)	575,435
Unearned Revenue	(1,004)	19,976
Deferred Revenue	430,655	(43,155)
Employee Future Benefits	40,639	52,430
Amortization of Tangible Capital Assets	1,835,024	1,889,313
Amortization of Deferred Capital Revenue	(1,416,829)	(1,447,114)
Bylaw Capital Spend on Non-Capital Items	(1,240,094)	(1,282,140)
Total Operating Transactions	239,665	(158,007)
Capital Transactions		
Tangible Capital Assets Purchased	(3,388,853)	(1,157,827)
Total Capital Transactions	(3,388,853)	(1,157,827)
Financing Transactions		
Capital Revenue Received	4,141,775	1,986,116
Total Financing Transactions	4,141,775	1,986,116
Net Increase (Decrease) in Cash and Cash Equivalents	992,587	670,282
Cash and Cash Equivalents, beginning of year	10,898,176	10,227,894
Cash and Cash Equivalents, end of year	11,890,763	10,898,176
Cash and Cash Equivalents, end of year, is made up of:		
Cash	4,883,132	4,498,299
Cash Equivalents	7,007,631	6,399,877
	11,890,763	10,898,176
Supplementary Cash Flow Information		

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 59 (Peace River South)", and operates as "School District No. 59 (Peace River South)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 59 (Peace River South) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(e) and 2(j).

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect.

As noted in Notes 2(e) and 2(j), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue.

The impact of this difference on the financial statements of the School District is as follows:

- Year-ended June 30, 2016 - decrease in annual surplus by \$619,233;
- June 30, 2016 - increase in accumulated surplus and decrease in deferred contributions by \$23,604,725;
- Year-ended June 30, 2017 – increase in annual surplus by \$1,680,205; and,
- June 30, 2017 – increase in accumulated surplus and decrease in deferred contributions by \$25,284,930.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

b) Cash and Cash Equivalents

Cash and cash equivalents include Certificates of Deposit with the Provincial Treasury that are readily convertible to known amounts of cash, have no set maturity terms, and that are subject to an insignificant risk of change in value. These cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

Accounts receivable are measured at amortized cost and shown net of allowance for doubtful accounts.

d) Unearned Revenue

Unearned revenue includes proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

e) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2(j).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2(a) for the impact of this policy on these financial statements.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2017 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The School District and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

g) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

g) Tangible Capital Assets (Continued)

- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

h) Prepaid Expenses

Prepaid expenses consist of unexpired insurance premiums and other prepaid amounts which will be amortized over the term of the policies, or in the period the actual expense relates to, respectively.

i) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 11 – Interfund Transfers and Note 18 – Accumulated Surplus). *Funds and reserves are disclosed on Schedules 2, 3 and 4.*

j) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

j) Revenue Recognition (Continued)

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met, unless the transfer contains a stipulation that meets the criteria for liability recognition, in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2(a) for the impact of this policy on these financial statements.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

l) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and other liabilities.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

l) Financial Instruments (Continued)

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

m) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 2 a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

n) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School district:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>2017</u>	<u>2016</u>
Due from Federal Government	\$ 164,676	\$ 176,823
Due from Other School Districts	2,311	3,383
Insurance claim	-	5,091
Other Accounts Receivable	<u>110,148</u>	<u>57,598</u>
	<u>\$ 277,135</u>	<u>\$ 242,895</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	<u>2017</u>	<u>2016</u>
Trade payables	\$ 784,094	\$ 913,635
Salaries and benefits payable	1,780,434	1,723,942
Accrued vacation pay	802,382	794,118
Other	<u>66,491</u>	<u>53,969</u>
	<u>\$ 3,433,401</u>	<u>\$ 3,485,664</u>

NOTE 5 UNEARNED REVENUE

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 44,883	\$ 24,907
Changes for the year:		
Increase:		
Other revenue	3,619	27,947
Decrease:		
Other revenue	<u>4,624</u>	<u>7,971</u>
Balance, end of year	<u>\$ 43,878</u>	<u>\$ 44,883</u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 6 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Changes in deferred revenue are as follows:

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 822,293	\$ 865,448
Changes for the year:		
Increase: Contributions received		
Provincial Grants – Ministry of Education	2,347,929	1,974,472
Other	1,140,558	1,096,300
Investment income	<u>2,281</u>	<u>2,242</u>
	<u>3,490,768</u>	<u>3,073,014</u>
Decrease:		
Expenses	<u>3,060,113</u>	<u>3,116,169</u>
Net changes for the year	<u>430,655</u>	<u>(43,155)</u>
Balance, end of year	<u>\$ 1,252,948</u>	<u>\$ 822,293</u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 7 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

	Deferred Capital 2017	Unspent Capital 2017	Total Deferred Capital Revenue 2017	Total Deferred Capital Revenue 2016
Balance, beginning of year	\$23,604,725	\$436,335	\$24,041,060	\$24,784,198
Changes for the year:				
Increase:				
Transfer from Unspent – Capital Additions	3,097,034	-	3,097,034	827,881
Provincial Grants – Ministry of Education	-	4,073,932	4,073,932	1,984,640
Provincial Grants – Other	-	66,367	66,367	-
Investment income	-	1,476	1,476	1,476
	3,097,034	4,141,775	7,238,809	2,813,997
Decrease:				
Amortization of Deferred Capital	1,416,829	-	1,416,829	1,447,114
Capital Additions–transfer to Deferred Capital	-	3,097,034	3,097,034	827,881
Non-capital items	-	1,240,094	1,240,094	1,282,140
	1,416,829	4,337,128	5,753,957	3,557,135
Net changes for the year	1,680,205	(195,353)	1,484,852	(743,138)
Balance, end of year	\$25,284,930	\$240,982	\$25,525,912	\$24,041,060

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

	2017	2016
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 886,536	\$ 1,086,687
Service Cost	77,927	98,633
Interest Cost	22,637	25,173
Benefit Payments	(86,038)	(124,664)
Actuarial (Gain) Loss	(47,026)	(199,293)
Accrued Benefit Obligation – March 31	<u>\$854,036</u>	<u>\$886,536</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	<u>\$854,036</u>	<u>\$886,536</u>
Funded Status - Surplus (Deficit)	(854,036)	(886,536)
Employer Contributions After Measurement Date	23,372	12,740
Benefits Expense After Measurement Date	(25,490)	(25,141)
Unamortized Net Actuarial (Gain) Loss	65,716	149,138
Accrued Benefit Asset (Liability) - June 30	<u>(\$790,438)</u>	<u>(\$749,799)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	\$ 749,799	\$ 697,369
Net Expense for Fiscal Year	137,310	175,371
Employer Contributions	(96,671)	(122,941)
Accrued Benefit Liability (Asset) - June 30	<u>\$ 790,438</u>	<u>\$ 749,799</u>
Components of Net Benefit Expense		
Service Cost	\$ 77,869	\$ 93,457
Interest Cost	23,045	24,539
Amortization of Net Actuarial (Gain)/Loss	36,397	57,375
Net Benefit Expense (Income)	<u>\$ 137,311</u>	<u>\$ 175,371</u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 8 EMPLOYEE FUTURE BENEFITS *(Continued)*

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:

	2017	2016
Discount Rate - April 1	2.50%	2.25%
Discount Rate - March 31	2.75%	2.50%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.5	9.5

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value

	Net Book Value June 30, 2017	Net Book Value June 30, 2016
Sites	\$ 5,244,781	\$ 5,244,781
Buildings	26,779,221	25,605,555
Furniture & Equipment	1,092,594	1,049,124
Vehicles	2,483,825	2,124,922
Computer Software	-	257
Computer Software	41,171	63,124
Total	\$ 35,641,592	\$ 34,087,763

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2017

Cost:	Balance at July 1, 2016	Additions	Disposals	Balance at June 30, 2017
Sites	\$ 5,244,781	\$ -	\$ -	\$ 5,244,781
Buildings	67,307,420	2,419,299	-	69,726,719
Furniture & Equipment	1,860,110	229,481	(143,814)	1,945,777
Vehicles	3,811,702	740,073	(386,865)	4,164,910
Computer Software	1,281	-	(1,281)	-
Computer Hardware	109,762	-	(54,505)	55,257
Total	\$ 78,335,056	\$ 3,388,853	\$ (586,465)	\$ 81,137,444

Accumulated Amortization:	Balance at July 1, 2016	Amortization Expense	Disposals	Balance at June 30, 2017
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	41,701,865	1,245,633	-	42,947,498
Furniture & Equipment	810,986	186,011	(143,814)	853,183
Vehicles	1,686,780	381,170	(386,865)	1,681,085
Computer Software	1,024	257	(1,281)	-
Computer Hardware	46,638	21,953	(54,505)	14,086
Total	\$ 44,247,293	\$ 1,835,024	\$ (586,465)	\$ 45,495,852

June 30, 2016

Cost:	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
Sites	\$ 5,244,781	\$ -	\$ -	\$ 5,244,781
Buildings	66,479,539	827,881	-	67,307,420
Furniture & Equipment	1,925,705	103,433	(169,028)	1,860,110
Vehicles	4,118,443	186,427	(493,168)	3,811,702
Computer Software	1,281	-	-	1,281
Computer Hardware	220,998	40,086	(151,322)	109,762
Total	\$ 77,990,747	\$ 1,157,827	\$ (813,518)	\$ 78,335,056

Accumulated Amortization:	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	40,461,422	1,240,443	-	41,701,865
Furniture & Equipment	787,444	192,570	(169,028)	810,986
Vehicles	1,768,104	411,844	(493,168)	1,686,780
Computer Software	768	256	-	1,024
Computer Hardware	153,760	44,200	(151,322)	46,638
Total	\$ 43,171,498	\$ 1,889,313	\$ (813,518)	\$ 44,247,293

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 10 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2015, The Teachers' Pension Plan has approximately 45,000 active members and approximately 36,000 retired members. As of December 31, 2015, the Municipal Pension Plan has about 189,000 active members, including approximately 24,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014, indicated a \$449 million surplus for basic pension benefits on a going concern basis. The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available in 2018.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019.

Employers participating in the Plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plans record accrued liabilities and accrued assets for the Plans in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual employers participating in the Plans.

The School District paid \$3,360,434 for employer contributions to these plans in the year ended June 30, 2017 (2016: \$3,650,273).

NOTE 11 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2017, were as follows:

- A transfer in the amount of \$283,326 (2016: \$329,946) was made from the operating fund to the capital fund for capital equipment purchases.
- A transfer in the amount of \$8,493 (2016: \$0) was made from the operating fund to the capital fund for capital equipment purchases.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 12 RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 13 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 15, 2017. The Board adopted a preliminary annual budget on June 22, 2016. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the two budgets is as follows:

	2017 Amended	2017 Preliminary	Difference
Revenues			
Provincial Grants			
Ministry of Education	\$ 44,949,304	\$ 44,155,508	\$ 793,796
Other	168,000	167,220	780
Tuition	40,584	50,515	(9,931)
Other Revenue	1,709,300	2,060,500	(351,200)
Rentals and Leases	170,354	190,000	(19,646)
Investment Income	140,000	140,000	-
Amortization of Deferred Capital Revenue	1,416,829	1,416,595	234
Total Revenue	48,594,371	48,180,338	414,033
Expenses			
Instruction	34,650,902	34,380,242	270,660
District Administration	1,765,830	1,780,243	(14,413)
Operations and Maintenance	9,657,248	9,448,045	209,203
Transportation and Housing	3,638,248	3,637,378	870
Total Expenses	49,712,228	49,245,908	466,320
Surplus (Deficit) for the year	(1,117,857)	(1,065,570)	(52,287)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets			
From Operating and Special Purpose Funds	(334,650)	(237,800)	(96,850)
Amortization of Tangible Capital Assets	1,835,023	1,823,059	11,964
Total Effect of change in Tangible Capital Assets	1,500,373	1,585,259	(84,886)
(Increase) Decrease in Net Financial Assets	\$ 382,516	\$ 519,689	\$ (137,173)

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 14 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

Each year the School District is involved with a number of legal actions and arbitrations. Although the outcomes of these matters are not determinable at this time, management believes they will not have a material adverse effect on the School District's financial position or results of the operation.

NOTE 15 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. As at June 30, 2017, the liability is not reasonably determinable.

NOTE 16 EXPENSE BY OBJECT

	<u>2017</u>	<u>2016</u>
Salaries and benefits	\$ 36,813,901	\$ 36,594,384
Services and supplies	9,799,395	10,017,827
Amortization	<u>1,835,024</u>	<u>1,889,313</u>
	<u>\$ 48,448,320</u>	<u>\$ 48,501,524</u>

NOTE 17 ECONOMIC DEPENDENCE

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 18 ACCUMULATED SURPLUS

	2017	2016
OPERATING		
Internally Restricted (appropriated) by Board for:		
School-based Surpluses	\$ 495,812	\$ 487,069
Aboriginal Education Surplus	15,884	-
Student Learning Grant	61,935	-
Transportation Reserve	500,000	500,000
Board Contingency Fund	2,084,322	1,623,084
Subtotal Internally Restricted	3,157,953	2,610,153
Unrestricted Operating Surplus (Deficit)	3,494,435	3,340,685
Total Available for Future Operations	<u>\$ 6,652,388</u>	<u>\$ 5,950,838</u>
CAPITAL		
Investment in Tangible Capital Assets	10,356,662	10,483,038
Local Capital	112,382	111,320
Capital Surplus	10,469,044	10,594,358
ACCUMULATED SURPLUS	<u><u>\$ 17,121,432</u></u>	<u><u>\$ 16,545,196</u></u>

NOTE 19 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash and amounts receivable.

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most amounts receivable are due from the Province and are considered collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 19 RISK MANAGEMENT (Continued)

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is not exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

Risk management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

NOTE 20 SUBSEQUENT EVENTS

Subsequent to the year end, the School District has a pending offer to sell the former Tate Creek School site, and a vacant property on 121 Street in Dawson Creek, B.C. The conditions of the Tate Creek School offer have been met subsequent to the year end. The offer and contract to sell the vacant property on 121 Street is still pending due to certain purchaser conditions which have not been met.

CHARTERED PROFESSIONAL ACCOUNTANTS

Partners

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26.

AUDITOR'S REPORT ON SUPPLEMENTARY FINANCIAL INFORMATION

To the Board of Education of School District No. 59 (Peace River South) and the Minister of Education of British Columbia

We have audited the financial statements of School District No. 59 (Peace River South), which comprise the statement of financial position as at June 30, 2017 and statement of operations, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. This report contained an unmodified opinion on the financial statements as a whole. The following supplemental financial information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting records and other records used to prepare the financial statements.

Dawson Creek, BC
September 27, 2017

Sander Rose Bone Grindle LLP
Chartered Professional Accountants



Member, Chartered Professional Accountants of British Columbia and Alberta

* Denotes Professional Corporations

School District No. 59 (Peace River South)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2017

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	5,950,838		10,594,358	16,545,196	16,382,363
Changes for the year					
Surplus (Deficit) for the year	984,876	8,493	(417,133)	576,236	162,833
Interfund Transfers	(283,326)	(8,493)	291,819	-	
Tangible Capital Assets Purchased	701,550	-	(125,314)	576,236	162,833
Net Changes for the year	6,652,388	-	10,469,044	17,121,432	16,545,196
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 59 (Peace River South)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	41,754,815	41,963,425	41,719,308
Other	168,000	172,499	165,085
Tuition	40,584	43,329	50,515
Other Revenue	594,300	819,312	554,349
Rentals and Leases	170,354	177,039	199,565
Investment Income	140,000	130,854	129,050
Total Revenue	42,868,053	43,306,458	42,817,872
Expenses			
Instruction	31,887,110	31,008,141	30,784,241
District Administration	1,765,830	1,732,851	1,823,248
Operations and Maintenance	6,657,698	6,451,860	6,427,333
Transportation and Housing	3,257,078	3,128,730	3,179,080
Total Expense	43,567,716	42,321,582	42,213,902
Operating Surplus (Deficit) for the year	(699,663)	984,876	603,970
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,142,713		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(334,650)	(283,326)	(329,946)
Total Net Transfers	(334,650)	(283,326)	(329,946)
Total Operating Surplus (Deficit), for the year	108,400	701,550	274,024
Operating Surplus (Deficit), beginning of year		5,950,838	5,676,814
Operating Surplus (Deficit), end of year		6,652,388	5,950,838
Operating Surplus (Deficit), end of year			
Internally Restricted		3,157,953	2,610,153
Unrestricted		3,494,435	3,340,685
Total Operating Surplus (Deficit), end of year		6,652,388	5,950,838

School District No. 59 (Peace River South)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	40,060,134	40,054,921	40,627,735
Other Ministry of Education Grants			
Pay Equity	944,395	944,395	944,395
Funding for Graduated Adults		2,568	1,712
Transportation Supplement	441,458	441,458	
Economic Stability Dividend		18,709	26,170
Return of Administrative Savings	205,328	205,328	
Carbon Tax Grant	95,000	98,852	98,000
Student Learning Grant		175,506	
Other	8,500	21,688	21,296
Total Provincial Grants - Ministry of Education	41,754,815	41,963,425	41,719,308
Provincial Grants - Other	168,000	172,499	165,085
Tuition			
International and Out of Province Students	40,584	43,329	50,515
Total Tuition	40,584	43,329	50,515
Other Revenues			
Miscellaneous			
Seconded Teacher recoveries	181,000	185,328	82,628
Energy Program recoveries	25,000	95,792	23,436
Substitute Staff Recoveries	130,000	148,783	140,803
Insurance Claim			5,091
Bus fees	45,000	48,719	50,998
Miscellaneous	213,300	340,690	251,393
Total Other Revenue	594,300	819,312	554,349
Rentals and Leases	170,354	177,039	199,565
Investment Income	140,000	130,854	129,050
Total Operating Revenue	42,868,053	43,306,458	42,817,872

School District No. 59 (Peace River South)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Salaries			
Teachers	14,377,360	14,473,869	14,223,679
Principals and Vice Principals	3,333,697	3,274,844	3,314,606
Educational Assistants	2,399,398	2,344,911	2,190,171
Support Staff	5,434,572	5,194,258	5,081,956
Other Professionals	1,330,458	1,353,383	1,399,822
Substitutes	1,615,508	1,604,230	1,473,695
Total Salaries	28,490,993	28,245,495	27,683,929
Employee Benefits	7,174,907	6,429,356	6,932,965
Total Salaries and Benefits	35,665,900	34,674,851	34,616,894
Services and Supplies			
Services	1,620,581	1,538,694	1,574,071
Student Transportation	1,082,606	936,050	1,037,718
Professional Development and Travel	565,488	440,103	419,700
Rentals and Leases	20,500	20,737	22,571
Dues and Fees	325,565	356,593	317,293
Insurance	175,350	170,016	173,666
Supplies	2,904,726	2,836,588	2,892,431
Utilities	1,207,000	1,347,950	1,159,558
Total Services and Supplies	7,901,816	7,646,731	7,597,008
Total Operating Expense	43,567,716	42,321,582	42,213,902

School District No. 59 (Peace River South)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	11,815,044	767,119	383,321	439,734	144,276	1,026,357	14,575,851
1.03 Career Programs	126,046	80,399			88,906	10,531	305,882
1.07 Library Services	270,825		123,109			18,000	411,934
1.08 Counselling	530,747			61,235	21,970	7,017	620,969
1.10 Special Education	1,241,041	440,166	1,551,751	152,061	18,379	108,240	3,511,638
1.30 English Language Learning	40,343		25,384			631	66,358
1.31 Aboriginal Education	449,823	188,260	242,265		7,759	21,674	993,010
1.41 School Administration		1,598,341		580,860		44,735	2,223,936
1.62 International and Out of Province Students							-
Total Function 1	14,473,869	3,074,285	2,325,830	1,317,119	281,290	1,237,185	22,709,578
4 District Administration							
4.11 Educational Administration		200,559		17,655	244,217		462,431
4.40 School District Governance					108,057		108,057
4.41 Business Administration				145,409	358,277		503,686
Total Function 4	-	200,559	-	163,064	710,551	-	1,074,174
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				43,590	266,287	1,351	311,228
5.50 Maintenance Operations				2,084,532		257,721	2,342,253
5.52 Maintenance of Grounds				508,352		17,608	525,960
5.56 Utilities							-
Total Function 5	-	-	-	2,636,474	266,287	276,680	3,179,441
7 Transportation and Housing							
7.41 Transportation and Housing Administration				46,192	95,255		141,447
7.70 Student Transportation			19,081	1,031,409		90,365	1,140,855
Total Function 7	-	-	19,081	1,077,601	95,255	90,365	1,282,302
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	14,473,869	3,274,844	2,344,911	5,194,258	1,353,383	1,604,230	28,245,495

School District No. 59 (Peace River South)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	14,575,851	3,251,008	17,826,859	2,062,431	19,889,290	20,141,324	20,098,413
1.03 Career Programs	305,882	72,717	378,599	261,670	640,269	604,531	461,985
1.07 Library Services	411,934	100,312	512,246	29,569	541,815	527,151	516,500
1.08 Counselling	620,969	135,035	756,004	19,867	775,871	747,905	764,784
1.10 Special Education	3,511,638	889,026	4,400,664	189,668	4,590,332	5,126,213	4,431,489
1.30 English Language Learning	66,358	12,163	78,521	21,000	99,521	122,722	83,850
1.31 Aboriginal Education	993,010	242,151	1,235,161	68,236	1,303,397	1,342,600	1,334,594
1.41 School Administration	2,223,936	512,766	2,736,702	194,604	2,931,306	3,038,324	2,875,069
1.62 International and Out of Province Students	-	-	-	236,340	236,340	236,340	217,557
Total Function 1	22,709,578	5,215,178	27,924,756	3,083,385	31,008,141	31,887,110	30,784,241
4 District Administration							
4.11 Educational Administration	462,431	98,585	561,016	68,091	629,107	629,288	633,593
4.40 School District Governance	108,057	1,439	109,496	87,404	196,900	196,925	185,481
4.41 Business Administration	503,686	117,927	621,613	285,231	906,844	939,617	1,004,174
Total Function 4	1,074,174	217,951	1,292,125	440,726	1,732,851	1,765,830	1,823,248
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	311,228	68,254	379,482	219,458	598,940	610,715	660,324
5.50 Maintenance Operations	2,342,253	506,324	2,848,577	875,167	3,723,744	3,972,646	3,814,687
5.52 Maintenance of Grounds	525,960	114,832	640,792	137,046	777,838	867,337	782,893
5.56 Utilities	-	-	-	1,351,338	1,351,338	1,207,000	1,169,429
Total Function 5	3,179,441	689,410	3,868,851	2,583,009	6,451,860	6,657,698	6,427,333
7 Transportation and Housing							
7.41 Transportation and Housing Administration	141,447	32,473	173,920	19,460	193,380	194,599	164,681
7.70 Student Transportation	1,140,855	274,344	1,415,199	1,520,151	2,935,350	3,062,479	3,014,399
Total Function 7	1,282,302	306,817	1,589,119	1,539,611	3,128,730	3,257,078	3,179,080
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	28,245,495	6,429,356	34,674,851	7,646,731	42,321,582	43,567,716	42,213,902

School District No. 59 (Peace River South)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	2,112,140	1,962,022	2,031,110
Other Revenue	1,115,000	1,096,446	1,083,140
Investment Income		1,645	1,919
Total Revenue	<u>3,227,140</u>	<u>3,060,113</u>	<u>3,116,169</u>
Expenses			
Instruction	2,763,792	2,978,653	2,747,452
Operations and Maintenance	463,348	72,967	368,717
Total Expense	<u>3,227,140</u>	<u>3,051,620</u>	<u>3,116,169</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>8,493</u>	<u>-</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(8,493)	
Total Net Transfers	<u>-</u>	<u>(8,493)</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 59 (Peace River South)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

Deferred Revenue, beginning of year

Add: Restricted Grants

Provincial Grants - Ministry of Education
Other
Investment Income

Less: Allocated to Revenue

Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education
Other Revenue
Investment Income

Expenses

Salaries

Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Other Professionals
Substitutes

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Tangible Capital Assets Purchased

Net Revenue (Expense)

Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	Service Delivery Transformation	Special Education Technology	School Generated Funds	Strong Start	Ready, Set, Learn
\$	\$	\$	\$	\$	\$	\$	\$	\$
153,300	8,054	9,658	11,274	25,275		472,121	20,595	-
310,058	820,825				56,522		193,472	39,200
310,058	820,825	92	108	241	56,522	1,125,007	531	
72,967	822,084	8,493	108	241	56,522	1,125,007	194,003	39,200
390,391	6,795	1,257	11,382	25,516	-	524,221	214,598	39,200
72,967	822,084	8,493			56,522	1,072,907	214,598	39,200
72,967	822,084	8,493			56,522	1,072,907	214,598	39,200
-	8,403	-	-	-	41,829	-	138,723	9,153
-	670,083	-	-	-	41,829	-	21,438	12,546
72,967	152,001	-	-	-	8,626	-	160,161	21,699
72,967	822,084	-	-	-	6,067	1,072,907	38,087	4,521
-	-	-	-	-	56,522	1,072,907	16,350	12,980
-	-	8,493	-	-	-	-	214,598	39,200
-	-	(8,493)	-	-	-	-	-	-
-	-	(8,493)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

School District No. 59 (Peace River South)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2017

	OLEP	CommunityLINK	Coding and Curriculum Implementation	Priority Measures	Careers Grants	Early Learning Funds	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	61,960	-	-	15,438	44,618	822,293
Add:							
Restricted Grants							
Provincial Grants - Ministry of Education	107,793	358,778	55,067	406,214	-	-	2,347,929
Other	-	-	-	-	-	15,551	1,140,558
Investment Income	-	613	195	-	100	401	2,281
	107,793	359,391	55,262	406,214	100	15,952	3,490,768
Less: Allocated to Revenue	87,751	343,306	-	304,174	14,171	23,940	3,060,113
Deferred Revenue, end of year	20,042	78,045	55,262	102,040	1,367	36,630	1,252,948
Revenues							
Provincial Grants - Ministry of Education	87,751	342,693	-	304,174	14,071	-	1,962,022
Other Revenue	-	-	-	-	-	23,539	1,096,446
Investment Income	-	613	-	-	100	401	1,645
	87,751	343,306	-	304,174	14,171	23,940	3,060,113
Expenses							
Salaries							
Teachers	29,931	-	-	-	-	-	847,330
Principals and Vice Principals	-	17	-	231,270	-	-	17
Educational Assistants	20,188	174,256	-	-	-	-	311,824
Support Staff	-	21,320	-	-	-	-	160,043
Other Professionals	-	12,942	-	-	369	-	43,902
Substitutes	-	993	-	22,034	-	-	43,976
	50,119	209,528	-	253,304	369	-	1,407,092
Employee Benefits	14,191	57,029	-	50,870	(458)	-	324,867
Services and Supplies	23,441	76,749	-	-	14,260	23,940	1,319,661
	87,751	343,306	-	304,174	14,171	23,940	3,051,620
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	8,493
Interfund Transfers							
Tangible Capital Assets Purchased	-	-	-	-	-	-	(8,493)
	-	-	-	-	-	-	(8,493)
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 59 (Peace River South)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2017

	2017	2017 Actual			2016
	Budget	Invested in Tangible	Local	Fund	Actual
	\$	Capital Assets	Capital	Balance	\$
Revenues					
Provincial Grants					
Ministry of Education	1,082,349	1,240,094		1,240,094	1,282,140
Investment Income			1,062	1,062	1,062
Amortization of Deferred Capital Revenue	1,416,829	1,416,829		1,416,829	1,447,114
Total Revenue	2,499,178	2,656,923	1,062	2,657,985	2,730,316
Expenses					
Operations and Maintenance	1,082,349	1,240,094		1,240,094	1,282,140
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,453,853	1,453,854		1,453,854	1,477,469
Transportation and Housing	381,170	381,170		381,170	411,844
Total Expense	2,917,372	3,075,118	-	3,075,118	3,171,453
Capital Surplus (Deficit) for the year	(418,194)	(418,195)	1,062	(417,133)	(441,137)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	334,650	291,819		291,819	329,946
Total Net Transfers	334,650	291,819	-	291,819	329,946
Total Capital Surplus (Deficit) for the year	(83,544)	(126,376)	1,062	(125,314)	(111,191)
Capital Surplus (Deficit), beginning of year		10,483,038	111,320	10,594,358	10,705,549
Capital Surplus (Deficit), end of year		10,356,662	112,382	10,469,044	10,594,358

School District No. 59 (Peace River South)

Tangible Capital Assets

Year Ended June 30, 2017

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	5,244,781	67,307,420	1,860,110	3,811,702	1,281	109,762	78,335,056
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,419,299		640,799			3,060,098
Deferred Capital Revenue - Other			36,936				36,936
Operating Fund			184,052	99,274			283,326
Special Purpose Funds			8,493				8,493
Decrease:							
Deemed Disposals			229,481	740,073	-	-	3,388,853
			143,814	386,865	1,281	54,505	586,465
			143,814	386,865	1,281	54,505	586,465
Cost, end of year	5,244,781	69,726,719	1,945,777	4,164,910	-	55,257	81,137,444
Work in Progress, end of year							
Cost and Work in Progress, end of year	5,244,781	69,726,719	1,945,777	4,164,910	-	55,257	81,137,444
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		41,701,865	810,986	1,686,780	1,024	46,638	44,247,293
Decrease:							
Deemed Disposals		1,245,633	186,011	381,170	257	21,953	1,835,024
			143,814	386,865	1,281	54,505	586,465
			143,814	386,865	1,281	54,505	586,465
Accumulated Amortization, end of year		42,947,498	853,183	1,681,085	-	14,086	45,495,852
Tangible Capital Assets - Net	5,244,781	26,779,221	1,092,594	2,483,825	-	41,171	35,641,592

School District No. 59 (Peace River South)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	21,178,616	541,498	1,884,611	23,604,725
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,060,098	36,936		3,097,034
	3,060,098	36,936	-	3,097,034
Decrease:				
Amortization of Deferred Capital Revenue	1,333,260	16,662	66,907	1,416,829
	1,333,260	16,662	66,907	1,416,829
Net Changes for the Year	1,726,838	20,274	(66,907)	1,680,205
Deferred Capital Revenue, end of year	22,905,454	561,772	1,817,704	25,284,930
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	22,905,454	561,772	1,817,704	25,284,930

School District No. 59 (Peace River South)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2017

Schedule 4D (Unaudited)

	Bylaw Capital	MED Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	281,596	154,739				436,335
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	4,073,932					4,073,932
Provincial Grants - Other			66,367			66,367
Investment Income		1,476				1,476
	4,073,932	1,476	66,367	-	-	4,141,775
Decrease:						
Transferred to DCR - Capital Additions	3,060,098		36,936			3,097,034
Facility Improvements Not Capitalized	1,240,094					1,240,094
	4,300,192	-	36,936	-	-	4,337,128
	(226,260)	1,476	29,431	-	-	(195,353)
Net Changes for the Year	55,336	156,215	29,431	-	-	240,982
Balance, end of year						